NATIONAL TOOL CO. GOING OUTOF BUSINESS P.D. 1/28/72

By William F. Miller

National Tool Co., one of the nation's largest makers of special cutting tools, died in Cleveland yesterday.

It was 69 years old.

Survivors include 170 factory workers, 30 office employes and three executives, most of whom will jocin the city's unemployment rolls.

Death came at 12:01 a.m. when the machines were shut down and lights turned off.

NATIONAL TOOL joined the number of Cleveland companies which have closed or have fled the city.

In the past, the company had made profits for its stockholders and paid good wages to employes.

Its recent shaky financial condition was reported publicly, but Mayfran, Inc., had conditionally agreed to buy more than 80% of the outstanding stock of National Cleveland Corp., of which National Tool is the operating division.

In a brief statement, Kermit E. Barker, president of National, announced Mayfran had terminated the agreement. He said this was due to "a wirsening financial condition and inability to work out modifications to the union contract satisfactory to Mayfran."

The company's small subsidiary in Newport, Tenn., with 18 employes also was closed, he said.

BARKER SAID the loss for the first 11 months of last year was $541,801, which was greater than previously published compony figures.

Barker, president since 1954, declined further comment when asked what caused the death of the company.

Local 4827 of the United Steel workers claimed there are $800,00⁰ worth of orders waiting to be filled and said they cannot understand why the company has closed.

Francis J. Kuhns, staff representative of USW District 28, said the union members agreed to give the potential new buyers "our sweat and hard work, but not our souls."

Representatives of Mayfran had demanded the employes forgo any wage hikes in 1972 and negotiate nothing higher than a 3% raise in 1973, Kuhns said. The five-member union committee agreed to go to the members and try to persuade them to accept the conditions.

"BUT, WHEN we said that, they came back and demanded 39 contract issues involving pay, hours and working conditions be eliminated or amended" Kuhns said. "It was an ultimatum and they said there would be no negotiating over it."

The union members were called Wednesday to a meeting at St. Hedwig Church Hall, 12903 Madison Avenue, Lakewood.

Baker and Richard F. Stevens, lawyer and company director, explained the proposition to the workers. The 155 workers present voted unanimously to reject.

"The changes they demanded would have left us without any honor, the members believed," Kuhns said.

Kuhns estimated that giving up wage increases and accepting the contract changes would have reduced wages and cost an estimatdd $700,000 over two years.

"WE EVEN offered to suspend some of the issues for a year to help, but that was turned down also," he said.

Mayfran officials could not be reached for comment last night.

The company had threatened to close during a 10-week strike in 1963. But wokers came to an agreement. There has not bn a strike since. Employment has dropped from a high of 250 wrkers three years ago.

Wages in the plant were scaled from $3.16 to $4.18 hourly.

Frank Roten, 59, of 4396 W. 145th Street, has been employed 40 years at the plant as a grinder.

"I won't believe it until I get official workd," he said. "They say the closing is because of lack of finances. We are all hoping it somehow will reopen."

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